



**DATE: SEPTEMBER 29, 2006**  
**TO: ISLAND SAVINGS PLAN PARTICIPANT**  
**FROM: ISLAND SAVINGS PLAN BOARD OF TRUSTEES**  
**RE: IMPORTANT FUND UPDATES AND CHANGES**

In an ongoing effort to provide you with a selection of diverse, competitive investment options, the Board wants to inform participants about changes to the Island Savings Plan's investment options.

#### **FUND WATCH ALERTS**

At its July 10, 2006 meeting, the Board voted to place the Fidelity Growth & Income Fund on the watch list, due to the fund's underperformance in comparison to its Large Cap benchmark.

At its August 24, 2006 meeting, the Board voted to place the Wells Fargo Large Company Growth Fund on the watch list. The Board is monitoring the fund's underperformance and will continue to monitor and reevaluate its performance.

#### **INVESTMENT FUND CHANGES**

Effective 4:00 p.m. ET on Monday, October 30, 2006, there will be changes to two (2) of the existing investment funds:

1. The Fidelity Puritan Fund will be removed from the lineup and all money invested in that fund will be transferred over to the existing Vanguard Wellington Fund. The Board decided to remove one of the balanced funds since there are two balanced funds offered in the Plan, and has decided to keep the Vanguard Wellington Fund because this fund has a lower expense ratio and a better performance history.
2. At the same time, the Delaware Trend Fund will be terminated and replaced by a new fund: the Century Small/Mid Cap Growth Strategy. The Board voted to terminate the Delaware Trend Fund because of the Fund's underperformance, and the departure of several key senior managers. The Century Small/Mid Cap Growth Strategy is a separately managed small/mid cap growth strategy that will be managed by Century Capital Management.

Please review the following information if you currently invest in the funds that are being replaced, or if you intend to make a contribution to either fund on, or prior to, October 30, 2006, 11:00 a.m. Hawai'i Time (4:00 p.m. Eastern Time).

#### **Funds will transfer automatically—you don't have to do a thing.**

If you have money invested in the Fidelity Puritan Fund or the Delaware Trend Fund, it will automatically be transferred to the replacement funds after 11:00 a.m. Hawai'i Time (4:00 p.m. Eastern Time) on Monday October 30, 2006, according to the table below. Similarly, any ongoing Plan contributions that you have directed to either of the terminated funds will be automatically redirected after 4:00 p.m. ET, Monday, October 30, 2006.

<b>Money invested in or allocated to this fund as of 11:00 a.m. HST/4:00 p.m. ET on 10/30/06...</b>	<b>...will be invested in or redirected to this fund after 11:00 a.m. HST/4:00 p.m. ET on 10/30/06.</b>
Fidelity Puritan Fund	Vanguard Wellington Fund
Delaware Trend Fund	Century Small/Mid Cap Growth Strategy

If you have money invested in, or directed to, the Fidelity Puritan Fund and/or the Delaware Trend Fund and you *do not* want your balance transferred or future contributions directed to the replacement funds as described above, you will need to make a change to your investment elections (for both existing balances and future contributions) **before** 11:00 a.m. Hawai'i Time/4:00 p.m. Eastern Time on October 30, 2006.

To make a fund transfer or change your investment elections, simply call 1-888-71-ALOHA (1-888-712-5642) or visit <https://islandsavings.csplans.com>. You will need your Social Security number and Personal Identification Number (PIN) to access your account online. If you don't know your PIN, call the number above to request one, or log on to the Web site and click "Forgot Your PIN?". A PIN confirmation letter will be sent to your address on file and should arrive within 5 business days.

#### **Feel free to call with any questions.**

If you have any questions about the fund changes, contact a Participant Services Representative by calling 1-888-71-ALOHA (1-888-712-5642) and pressing "0". Representatives are available Monday to Friday, 6:00 a.m. to 5:00 p.m. HST and Saturdays from 6:00 a.m. to 12:00 p.m. (except on stock market holidays).

